

HUMAN RESOURCES

BUDGET UNIT: INSURANCE PROGRAMS (ALL ISFs EXCEPT IBP)

I. GENERAL PROGRAM STATEMENT

Risk Management, under the direction of the Human Resources Department, administers the county's self-insured and insured insurance programs. All programs are paid from these self-insurance funds and financed by general fund and non-general fund departments, as well as the Board Governed Special Districts and County Service Areas. Self-insurance and insurance programs include auto liability, property, surety, comprehensive auto, law enforcement liability, workers' compensation, aircraft liability, airport liability, environmental liability, medical malpractice, and general liability. There is no staffing associated with this budget unit. Revenue over expense is used to meet actuarially determined claims reserve requirements.

II. BUDGET & WORKLOAD HISTORY

	Actual 2001-02	Budget 2002-03	Estimated 2002-03	Department Request 2003-04
Total Operating Expense	54,999,503	46,735,896	59,094,213	47,652,314
Total Financing Sources	<u>48,018,910</u>	<u>49,765,885</u>	<u>56,424,195</u>	<u>49,002,994</u>
Revenue Over/(Under) Expense	(6,980,593)	3,029,989	(2,670,018)	1,350,680

Estimated operating expenses and revenue for 2002-03 are higher than budget due to an accounting change regarding reporting for guaranteed investment contract (GIC) disbursements and reimbursements. Transfers for the GIC are estimated at \$10,604,358 and revenues are estimated at \$10,547,530. Per the investment schedule, there is minimal GIC activity in 2003-04.

Revenue over/(under) expense varies significantly from budget because of an unbudgeted \$4.5 million dividend paid to Transportation/Flood Control; increased Workers' Compensation payments due to the increased benefit levels; decreased Workers' Compensation revenue due to decreased staffing in the County; and increased excess insurance premiums for general, automobile, and pollution liability programs.

III. HIGHLIGHTS OF RECOMMENDED PROGRAM FUNDED ADJUSTMENTS

STAFFING CHANGES

None.

PROGRAM CHANGES

None.

OTHER CHANGES

Operating transfers in and out are impacted significantly due to scheduled reductions in GIC disbursements and reimbursements.

IV. VACANT POSITION IMPACT

None.

V. OTHER POLICY ITEMS

None.

VI. FEE CHANGES

None.

GROUP: Administrative/Executive
DEPARTMENT: Human Resources - Risk Management
FUND: Internal Service (All Except IBP)

FUNCTION: General
ACTIVITY: Insurance Programs

ANALYSIS OF 2003-04 BUDGET

	A	B	C	D	B+C+D E Board Approved Base Budget
	2002-03 Year-End Estimates	2002-03 Final Budget	Base Year Adjustments	Mid-Year Adjustments	
<u>Appropriation</u>					
Services and Supplies	40,455,496	38,874,268	-	-	38,874,268
Other Charges	146,804	142,500	-	-	142,500
Total Appropriation	40,602,300	39,016,768	-	-	39,016,768
Operating Transfers Out	18,491,913	7,719,128	-	-	7,719,128
Total Oper Expense	59,094,213	46,735,896	-	-	46,735,896
<u>Revenue</u>					
Use of Money & Prop	(141,105)	948,175	-	-	948,175
Current Services	35,723,935	41,592,810	-	-	41,592,810
Other Revenue	(206,082)	81,900	-	-	81,900
Total Revenue	35,376,748	42,622,885	-	-	42,622,885
Operating Transfers In	21,047,447	7,143,000	-	-	7,143,000
Total Financing Sources	56,424,195	49,765,885	-	-	49,765,885
Rev Over/(Under) Exp	(2,670,018)	3,029,989	-	-	3,029,989

GROUP: Administrative/Executive
 DEPARTMENT: Human Resources - Risk Management
 FUND: Internal Service (All Except IBP)

FUNCTION: General
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ANALYSIS OF 2003-04 BUDGET

	E	F	E+F G	H	G+H I	J	I+J K
	Board Approved Base Budget	Recommended Program Funded Adjustments	2003-04 Department Request	Vacant Position Impact	2003-04 Proposed Budget (Adjusted)	Recommended Vacant Restoration	2003-04 Recommended Budget
Appropriation							
Services and Supplies	38,874,268	4,321,827	43,196,095	-	43,196,095	-	43,196,095
Other Charges	<u>142,500</u>	<u>(5,500)</u>	<u>137,000</u>	<u>-</u>	<u>137,000</u>	<u>-</u>	<u>137,000</u>
Total Appropriation	39,016,768	4,316,327	43,333,095	-	43,333,095	-	43,333,095
Operating Transfers Out	<u>7,719,128</u>	<u>(3,399,909)</u>	<u>4,319,219</u>	<u>-</u>	<u>4,319,219</u>	<u>-</u>	<u>4,319,219</u>
Total Oper Expense	46,735,896	916,418	47,652,314	-	47,652,314	-	47,652,314
Revenue							
Use of Money & Prop	948,175	(679,375)	268,800	-	268,800	-	268,800
Current Services	41,592,810	6,571,884	48,164,694	-	48,164,694	-	48,164,694
Other Revenue	<u>81,900</u>	<u>(35,400)</u>	<u>46,500</u>	<u>-</u>	<u>46,500</u>	<u>-</u>	<u>46,500</u>
Total Revenue	42,622,885	5,857,109	48,479,994	-	48,479,994	-	48,479,994
Operating Transfers In	<u>7,143,000</u>	<u>(6,620,000)</u>	<u>523,000</u>	<u>-</u>	<u>523,000</u>	<u>-</u>	<u>523,000</u>
Total Financing Sources	49,765,885	(762,891)	49,002,994	-	49,002,994	-	49,002,994
Total Rev Over/(Under) Exp	3,029,989	(1,679,309)	1,350,680	-	1,350,680	-	1,350,680

HUMAN RESOURCES

Recommended Program Funded Adjustments		
Services and Supplies	496,815	Increased workers' compensation excess insurance premiums.
	1,005,168	Increase for other excess insurance premiums.
	572,185	Increased other general liability insurance premiums.
	150,528	Increased malpractice insurance premiums.
	(261,502)	Decreased airport and aircraft liability insurance.
	1,333,163	Increase for other insurance premiums.
	99,750	Increase for risk reduction programs.
	780,170	Increase for judgments and settlements.
	(91,450)	Decreased management and technical services.
	237,000	Increase for medical treatment expenses.
	<u>4,321,827</u>	
Other Charges	<u>(5,500)</u>	Decreased taxes and assessments.
Total Appropriation	<u>4,316,327</u>	
Operating Transfers Out	<u>(3,399,909)</u>	Decreased GIC payments of \$3,475,521 and transfers to IBP for overhead.
Total Operating Expenses	<u>916,418</u>	
Revenue		
Use of Money & Prop	<u>(679,375)</u>	Decreased interest revenue.
Current Services	6,571,884	Increased insurance premium revenue of \$ 7,069,384, decreased claim cost recoveries of \$360,500 and subrogation for departments of \$137,000.
Other Revenue	<u>(35,400)</u>	Decreased revenue from return of stale-dated checks.
Total Revenue	<u>5,857,109</u>	
Operating Transfers In	<u>(6,620,000)</u>	Decreased GIC proceeds.
Total Sources	<u>(762,891)</u>	
Total Rev Over(Under) Exp	<u>(1,679,309)</u>	